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**SUPERIOR COURT OF THE STATE OF CALIFORNIA**

**IN AND FOR THE COUNTY OF SANTA CLARA**

**AT SAN JOSE**

SAN JOSE POLICE OFFICERS'  
ASSOCIATION,

Plaintiff,

v.

CITY OF SAN JOSÉ, BOARD OF  
ADMINISTRATION FOR POLICE AND FIRE  
DEPARTMENT RETIREMENT PLAN OF  
CITY OF SAN JOSE, and DOES 1-10,  
inclusive,

Defendants.

Consolidated Case No. 1-12-CV-225926

[Consolidated with Case Nos. 1-12-CV-225928,  
1-12-CV-226570, 1-12-CV-226574,  
1-12-CV-227864, and 1-12-CV-233660]

Assigned For All Purposes To:  
Judge Patricia Lucas  
Department 2

AFSCME LOCAL 101'S REPLY  
MEMORANDUM IN SUPPORT OF MOTION  
FOR ATTORNEYS' FEES

AND RELATED CROSS-COMPLAINT AND  
CONSOLIDATED ACTIONS

Hearing Date: September 25, 2014  
Hearing Time: 9:00 a.m.  
Courtroom: 2  
Judge: Honorable Patricia Lucas  
Action Filed: June 6, 2012  
Trial Date: July 22, 2013

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## I. INTRODUCTION

AFSCME Local 101 did not ask for this fight, nor did it initiate this lawsuit for its own benefit. Rather, it filed this action on July 5, 2012, a month after the City of San Jose had sued AFSCME in federal court, on June 5, 2012 (AFSCME RJN, Exhibit 1). The City sought offensive declaratory relief against AFSCME Local 101 for the right to impose drastic cuts on city employees' and retirees' pensions which, in its view, was authorized under Measure B. The City promoted Measure B and the electorate adopted it in a hastily-scheduled off-year election in which only a small minority of the electorate participated.

AFSCME Local 101 refused to place the destiny of California public employees in the hands of a federal judge with no authority to issue binding holdings of state law, and on that basis moved to dismiss the City's action against it. (*See* AFSCME RJN, Exh. 2). The basis of AFSCME's motion to dismiss the federal lawsuit was the right to forward state Constitutional claims that would result in precedent binding on state courts faced with equally-improvident local laws. The motion stated:

*As a case of first impression involving a novel and controversial local law, it is important that any disposition of the issues presented establish precedent to guide the state courts in resolving similar future conflicts. Decisions issued by this Court or the Ninth Circuit Court of Appeals will have no stare decisis affect within the state court system.* This is because the state courts have not yet interpreted Measure B or the vested rights doctrine in the context of the amendments made by Measure B to the City's Federated Retirement System. Any interpretation adopted by a federal court will not bind the courts of the state...and a contrary decision by the state's appellate courts will - in fact - bind federal's court with respect to matters of state law.

(RJN Exh. 2, (emphasis added)). In the face of this motion and this Court's decision not to cede jurisdiction to the federal courts, the City dismissed its federal lawsuit against AFSCME, and filed a counter-claim against it in these proceedings. In the meantime, AFSCME filed suit in this court to establish as a matter of law that the constitutional rights of public employees may not be impaired simply because a minority of eligible voters wish it.

Although the City has been willing to pay its attorneys *millions* of dollars to prosecute and defend the improvident ballot measure, the City suggests it is against the public interest to award fees to the parties who have defended the state constitution and, importantly, a *fundamental* right guaranteed thereunder. Code of Civil Procedure section 1021.5 was enacted specifically because the

1 Legislature determined that there should be incentives to those who protect - willingly or not - their  
2 *own* constitutional rights when doing so confers a benefit on others.

3       There is not a single case involving an award of section 1021.5 fees where the litigant did not  
4 have an individual stake in the litigation: Rules of standing prohibit such an award being rendered.  
5 The City even claims it never intended to put in place the drastic changes contemplated by Measure  
6 B, rendering plaintiffs' victories only "hypothetical." The record speaks otherwise. It was the City  
7 that first filed suit to enforce Measure B: Why would it have done so if its measure provided merely  
8 "hypothetical" authority? And if Measure B's terms were so insignificant and *de minimis*, why did  
9 the law achieve national attention, discussed by the City Council and the Mayor in national  
10 publications, with media attending at every hearing and during the trial itself?

11       The City's contention that the Court's ruling is insignificant and did not achieve an important  
12 objective is contradicted by the City's own statements after the trial, in which the Mayor avowed to,  
13 and did, seek a statewide ballot initiative to *amend* the contracts clause of the state constitution in  
14 direct response to the court's ruling, stating in a press release:

15       Unfortunately, the Judge's decision to invalidate certain portions of Measure B also  
16 highlights the fact that current California law provides cities, counties and other  
17 government agencies with very little flexibility in controlling their retirement costs.  
18 *That's why I believe that we need a constitutional amendment that will empower*  
*government leaders to tackle their massive pension problems and negotiate fair and*  
*reasonable changes to employees' future pension benefits.*

19 (Soroushian Decl., Exh. 5). Clearly the City's reaction indicates AFSCME achieved a substantial  
20 result and, indeed, the Mayor made good on his promise to seek to amend the Constitution in  
21 response. (AFSCME RJN, Exh 2).

## 22                                   **II. ARGUMENT**

### 23       **A.     This Case Vindicated Important Rights**

24       The City clearly does not consider the rights of public employees to be fundamental or  
25 important. Yet this case presents claims founded on the contracts clause of the State Constitution.  
26 The enumerated right is contained in the article of California's constitution that declares various  
27 fundamental rights, and the right to be free from impairment of contract is nestled among many other  
28 fundamental rights, including freedom of speech, religion, association, ex-post facto laws, and many

1 others. (See Cal. Const. Art. 1). Courts recognize that pension and other post-employment benefits  
2 constitute “important” and “*fundamental vested rights.*” (*California League of City Employee*  
3 *Associations v. Palos Verdes Library Dist.* (1978) 87 Cal.App.3d 135, 139 (Finding non-pension  
4 retirement benefits to be fundamental vested rights and noting: “in determining whether they are  
5 fundamental the court is to evaluate “the effect of it in human terms and the importance of it to the  
6 individual in the life situation.”); *HRPT Properties Trust v. Lingle* (D. Hawaii 2010) 715 F.Supp.2d  
7 1115, 1136 (“An impairment of a contract is substantial if it deprives a private party of an *important*  
8 *right....*”) (emphases added).)

9       Necessarily, any local ordinance or charter amendment that impairs contracts will involve  
10 private interests. That fact does not detract from the public import of constitutional determinations  
11 involving the contract clause. Indeed, that is their nature: they vouchsafes individual rights. (*Star-*  
12 *Kist Foods, Inc. v. County of Los Angeles* (1986) 42 Cal.3d 1, 8 (in bank) (“Provisions like the  
13 Fourteenth Amendment *and the contract clause* confer *fundamental* rights on *individual* citizens.)  
14 (emphasis added).) Necessarily, fundamental constitutional rights are important.

15       The City attempts to turn the analysis on its head by stating, “The public interest was served  
16 by the savings and increased services generated by Measure B, not by the Plaintiff’s attack on it.”<sup>1</sup>  
17 However, as a matter of policy that issue has been decided against the City by the Court. The City  
18 presented much evidence regarding the City’s necessity in adopting Measure B, and in finding  
19 provisions of Measure B invalid, the Court necessarily determined that Measure B’s impairment of  
20 individual rights was “substantial” and not justified by any “important public purpose.” (*Board of*  
21 *Admin. v. Wilson* (1997) 52 Cal.App.4th 1109, 1154 (“[A] substantial impairment may be  
22 constitutional if it is ‘reasonable and necessary to serve an *important public purpose.*’”).) Thus by  
23 finding in favor of AFSCME, the court necessarily found that no “important public interest” was  
24 served by the impairments. The City may not re-argue the merits here.

25       Finally, the authorities the City cites do not assist its position. For example, the City  
26 conveniently omits from its description of *Pacific Legal Foundation v. California Coastal Com.*,

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27 <sup>1</sup> City’s Opposition Brief at 2:2-3. Again, it was the City that sued AFSCME, not the other way  
28 around.

1 (1982) 33 Cal.3d 158 (City Opp., p. 9:1-8 (quoting *Press v. Lucky Stores* (1983) 34 Cal.3d 311)), the  
2 key point which was not the nature of the right, but that the judgment affected only a single  
3 individual. (*Id.* (“the primary effect of the judgment in Pacific Legal Foundation was merely to  
4 invalidate a condition placed on a land use permit which encumbered the value of a single parcel of  
5 property ... only plaintiffs’ personal economic interests were advanced by their lawsuit.”).)

6 Likewise, the City takes *Young v. State Water Resource Bd.* (2013), 219 Cal.App.4th 397,  
7 407, completely out of context. The issue presented was whether rate payers were entitled to  
8 participate in certain administrative proceedings convened by the Water Board. The Water Board  
9 permitted their intervention and participation, but the rate payers nevertheless pursued the issue on  
10 subsequent mandamus. (*Id.*, 219 Cal.App.4th at 407) The Water Board did not oppose the rate  
11 payers argument regarding participation, and the central issue was the Board’s jurisdiction, an issue  
12 on which the Board *prevailed* and petitioners were defeated. (*Id.*) The reason the court denied fees  
13 was because the petitioners had not obtained any concrete relief. The court noted, that “[i]t was the  
14 jurisdictional question that presented an issue of ongoing public importance, and if they had prevailed  
15 on that issue, there might have been grounds for an award of fees.” (*Id.* at 407). The point for which  
16 the City cites *Young* is undermined by the case itself: A relatively small group with a strong financial  
17 interest in the litigation can support an award of fees under section 1021.5 if they obtain relief.

18 If the City’s position were endorsed, virtually no contract impairment performed by a local  
19 government could give rise to a fees application under 1021.5, as such cases necessarily involve  
20 individual rights. That result lacks fealty to both the purpose and the language of section 1021.5.

21  
22 **B. AFSCME Conferred a “Significant Benefit” on “The General Public or a “Large Class  
of Persons”**

23 Measure B affected tens of thousands of individuals, consisting of current city employees,  
24 deferred vested members, and retirees. AFSCME Local 101 consists of far fewer members. There  
25 are over 3,600 retirees under the Federated System, and 6,800 active employees of the City. (Exhs.  
26 397, p. 209; 421, p. 123.) There are hundreds of inactive vested (or “deferred-vested”) members and  
27 survivors. (Exh. 427.) With respect to the Federated system, Measure B affected more than ten  
28 thousand persons. (*Id.*) Because AFSCME Local 101 consists of far fewer members than this,

1 AFSCME and the other plaintiffs are carrying the mantle for thousands of unrepresented City  
2 workers and retirees. Indeed, no deferred-vested members of the public were involved in the lawsuit.  
3 These numbers far exceed the number of individuals sufficient to constitute “a large class of persons”  
4 as defined under section 1021.5. (*See, e.g., Monterey/Santa Cruz County Bldg. and Const. Trades*  
5 (2011) 191 Cal.App.4th 1500 (noting that “hundreds of construction workers” constituted a “large  
6 class of persons.”); *c.f. Averill Superior Court* (1996) 42 Cal.App.4<sup>th</sup> 1170 (homeowner seeking to  
7 prevent a residence in her neighborhood from being converted into a battered women's shelter  
8 involved matter of public interest); *Foothills Townhome Assn. v. Christiansen* (1998) 65 Cal.App.4th  
9 688, (suit by a homeowners association to recover an unpaid \$1,300 assessment needed to replenish  
10 the association's capital reserves brought against a recalcitrant homeowner ‘involved matters of  
11 sufficient public interest under CCP section 425.16.”); *Damon v. Ocean Hills Journalism Club*  
12 (2000) 85 Cal.App.4th 468, 573 (public interest requirement satisfied under 425.16 in defamation  
13 action by manager of a residential community of 1,633 homes against members of the community  
14 who were critical of his performance).)

15 California courts also recognize that issues of “public interest” include “private conduct that  
16 impacts a broad segment of society and/or affects a community.” (*Kurwa v. Harrington, Foxx,*  
17 *Dubrow, & Canter, LLP* (2007) 146 Cal.App.4<sup>th</sup> 841, 846; *Damon v. Ocean Hills Journalism Club*  
18 (2000) 85 Cal.App.4<sup>th</sup> 468, 479.) Here AFSCME’s lawsuit affected more than a community and  
19 benefitted many individual members of the public.

20 The City’s authorities, within which the City seeks to situate this case, are inapposite. In  
21 *Concerned Citizens v. La Habra*, (2005) 131 CA4th 336, *Center for Bio Diversity v. California Fish*  
22 *and Game Comm’n.*, 195 Cal.App.3d 213, and *King v. Lewis*, (1990) 219 CA3d 552, 556-57, the  
23 plaintiffs seeking fees did not obtain *any* substantive relief. The *La Habra* plaintiffs succeeded in  
24 obtaining a CEQA review of a construction project, but did not obtain affirmative relief or affect the  
25 ultimate outcome. In *King*, the plaintiffs achieved a technical change to the language of a ballot  
26 measure that “did nothing to significantly alter the meaning of the impartial analysis.” (*Id.* at 556.).  
27 And in *Ctr. for Bio. Diversity v. Cal. Fish and Game Com.*, (2011) 195 Cal.App.4th 128, the  
28 superior court simply remanded ordering the commission to reconsider and apply a proper legal

1 standard (which it did and reached the identical result). Tellingly, *Ctr. for Bio. Diversity* includes the  
2 following statement: “*Karuk* was merely the latest of decisions holding that minor revisions or  
3 rewordings are not sufficiently significant to support an award under section 1021.5” (*Id.* at 141),  
4 which indicates that plaintiffs who obtain more than “minor re-wordings,” may be awarded fees.

5 In each of the City’s cited-to cases the plaintiffs obtained no substantive relief whatsoever. In  
6 order to place this case amongst those upon which it relies, the City contends that plaintiffs did not  
7 establish any tangible benefit and the Court’s rulings was largely theoretical making no concrete  
8 difference. That is evidently not the case. Notably, the City’s trial presentation was focused on the  
9 importance of Measure B to the City and the real “savings” the City predicted it would generate. At  
10 no point in the five days of trial, or in any of its pre-trial motions did the City suggest that these  
11 savings, and the importance of preserving Measure B’s terms, were “hypothetical” or  
12 inconsequential.

13 Assuming, *arguendo*, that the ruling obtained by AFSCME did not involve substantive relief  
14 (it did), that does not affect AFSCME’s entitlement to fees. “[T]he ‘significant benefit’ that will  
15 justify an attorney fee award need not represent a ‘tangible’ asset or a ‘concrete’ gain but, in some  
16 cases, may be recognized simply from the effectuation of a fundamental constitutional or statutory  
17 policy.” (*Woodland Hills*, 23 Cal.3d at 939; *see also In re Adoption of Joshua S.* (2008) 42  
18 Cal.App.4th 945, 958 (“The benefit may be conceptual or doctrinal,” and “can involve ... clarifying  
19 important constitutional principles”).)

### 20 **C. The City Misstates Consideration of the Union’s “Financial Interest” in the Litigation**

21 The City overstates to the point of misstating a so-called “pecuniary benefit” consideration in  
22 granting a fees award. Section 1021.5 clearly refers to a “significant benefit, whether pecuniary or  
23 nonpecuniary,” conferred on a “large class of persons.” That the Union may have an independent  
24 motivation for forwarding the suit is irrelevant. Most fundamentally, the City misstates the analysis  
25 by suggesting that AFSCME has a financial stake in the litigation. As summarized in *Robinson v.*  
26 *City of Chowchilla* (2011) 134 Cal.Rptr.3d 696, “The final step in the cost-benefit analysis used when  
27 considering a claim for attorney fees under the private attorney general doctrine is to compare the  
28 estimated *value* of the case to the actual cost and make a value judgment whether it is desirable to

1 encourage litigation of that sort by providing a bounty, *which is appropriate except where the*  
2 *expected value of the litigant's own monetary reward exceeds by a substantial margin the actual*  
3 *litigation costs.” (Id. (emphasis added); citing Whitley v. Maldonado (2010) 50 Cal.4th 1206, 1216,*  
4 *117 Cal.Rptr.3d 342, 241 P.3d 840.)* Here, there was no “monetary award.” Rather, there was a  
5 declaration of existing rights that the City sought to curtail. It turns logic it on its head to suggest that  
6 the plaintiffs obtained a monetary or financial outcome when they reinstated the status quo and  
7 *preserved* constitutional rights for their members and thousands of others. It is this reason that the  
8 City’s arguments regarding a “pecuniary” interest or outcome is misplaced.

9 **D. Necessity and Financial Burden Support an Award of Fees under Section 1021.5**

10 In arguing against an award of fees under the “burden” analysis, the City argues that  
11 AFSCME Local 101 is equivalent to two statewide associations, the California Teachers Association  
12 (“CTA”) and the California Redevelopment Association. The latter is composed of thousands of  
13 businesses, and the other composed of hundreds of thousands of teachers. They dwarf AFSCME in  
14 both size and resources (which is comprised of City employees in select bargaining units).

15 The City forgets, however, that it sued AFSCME first. In assessing the “necessity” and  
16 “financial burden” the courts looks to proportionality or recovery and fees expended in relation to the  
17 plaintiff’s ability to pay. Here, AFSCME did not recover monetarily. In addition, AFSCME Local  
18 101 is a small union consisting of city employees in select bargaining units, it is no goliath.

19 In *Cory*, as cited by the City (City Opp., p. 14), fees were not awarded because of the “large  
20 sums in issue” (hundreds of millions of dollars) as the “magnitude” of the benefit did not outweigh  
21 the burden on the CTA, a large statewide union, and the court took pains to emphasize was a ruling  
22 under the “*unique circumstances*” presented in that case. (*Cory*, 155 Cal.App.3d at 515 (emphasis  
23 added).) Similarly, in *CRA v. Matosantos*, 212 Cal.App.4<sup>th</sup> 1468, the plaintiff was a membership  
24 association of statewide California businesses, and the court determined the outcome was not  
25 disproportionate to CRA’s benefit or resources.

26 The two outlier decisions relied on by the City, *Matosantos* and *Cory*, are unique to their  
27 facts, and in neither case were the litigants forced into litigation by the public agency, as was the case  
28 here. Prior to any litigation involving Measure B, AFSCME pursued and continues to pursue



1 administrative challenges to Measure B before the Public Employee Relations Board, which is the  
2 appropriate venue for resolving disputes between public employers and the employees' unions.

3 The City's misplaced reliance on *Cory* and *Montasantos* is revealed by *Plumbers and*  
4 *Steamfitters, Local 290 v. Duncan* (2007) 157 Cal.App.4th 1083. In that case a union successfully  
5 challenged a decision by Director of the Department of Industrial Relations, which held that private  
6 plumbing contractor's renovation of privately owned building leased in part to county was not a  
7 public works project under prevailing wage law. (The significance of public works designation is  
8 that union prevailing wages must be paid on the job). The court found the union was entitled to  
9 attorney fees under section 1021.5 because the enforcement of the prevailing wage law affected the  
10 public interest in that it was likely to affect other projects in future, and financial burden of litigation  
11 was disproportionate to union's interests in action.

12 **E. AFSCME was a Successful Party and Obtained Tangible Benefits <sup>2</sup>**

13 As noted herein, the City brought suit against AFSCME. AFSCME did not 'choose this  
14 fight.' Section 1021.5 applies to any "prevailing party" and not simply to plaintiffs. Of course, once  
15 the City dismissed its federal action and counter-claimed against AFSCME in these proceedings, it  
16 became a cross-plaintiff. With respect to the City's cross-complaint, the court declined to grant relief  
17 (but nevertheless AFSCME was required to defend them through trial).

18 Here, AFSCME is a prevailing party because it "succeed[ed] on ... significant issue[s] ...  
19 achiev[ing] some of the benefit [it] sought in bringing suit." (*Maria P. v. Riles* (1987) 43 Cal.3d  
20 1281, 1282 ("*Maria P.*"); *see also RiverWatch v. San Diego Dept. of Environ. Health*, 175 CA4th  
21 768, 782-83 (2009) ("The party seeking attorney fees need not prevail on all its claims alleged in  
22 order to qualify for an award."))<sup>3</sup> Measure B served two primary purposes: reducing its employees'

23 <sup>2</sup> Whether a party is a "successful party" for attorneys' fees under section 1021.5 does not depend on  
24 whether the party is one for costs purposes. Courts may grant one but not the other. (*See, e.g., Galan*  
*v. Wolfriver Holding Corp.* (2000) 80 Cal.App.4th 1124.)

25 <sup>3</sup> The City's citation to *Ebbets Pass Forest Watch v. Cal. Dept. of Forestry and Fire Prot.* (2010) 187  
26 Cal.App.4th 376 does not change the outcome here. In that case, the plaintiffs did not have a  
27 "factually meritorious lawsuit" and were not actually successfully in their pursuit of the case. "[T]heir  
28 only victory was in a statement of law that when applied to the record clarified why they should  
lose." (*Id.* at 388.) Furthermore, in *Marine Forests Soc'y v. Cal. Coastal Comm'n* (2008) 160  
Cal.App.4th 867, the moving party did not achieve its primary objective of preserving an artificial  
reef. Here, in contrast, the court actually invalidated parts of Measure B.

1 pension benefits and reducing other post-employment benefits, such as retiree health. Notably, a  
2 primary goal of AFSCME was to restore its members' pension benefits (including the COLA) to the  
3 *status quo ante* level existing prior to the passage of Measure B. (Soroushian Decl. ¶8, Exh. 4 (¶ 3-4,  
4 14, 31, 32, 36-42, 50-55, 60-70.)) AFSCME successfully did this and is therefore a successful party.

5 Importantly, AFSCME defeated Section 1506-A, Measure B's centerpiece, which would have  
6 required members to pay up to 16% of pensionable pay towards UALs; the fact that the Court upheld  
7 Section 1514-A (permitting pay cuts up to 16% of compensation in accordance with the applicable  
8 law) does not minimize that victory. Although the City took the position that the pay reductions were  
9 self-executing, the court's ruling clarifies that Section 1514-A is not 'self-executing' and requires  
10 further action despite the City's, *i.e.*, it must be bargained in accordance with the MMBA.<sup>4</sup>

11 AFSCME's defeat of Section 1507-A (VEP) also supports "successful party" status. The City  
12 argues that this was not a separate victory because the Court tied the invalidity of the VEP to that of  
13 Section 1507-A. However, this is a distinction without a difference as courts still reward fees when  
14 they grant relief regardless of *why* they do so. (*See Maria P.*, *supra*, 43 Cal.3d 1281, 1291; *Wal-Mart*  
15 *v. City Council* (2005) 132 Cal.App.4th 614, 621-22 (successful party status warranted even though  
16 petition denied on procedural rather than substantive grounds).) In that regard the City grasps at  
17 straws where it states that, with respect to the VEP, the Court's ruling is insignificant because the IRS  
18 has not yet blessed the VEP. If that were the case, why did the City sue AFSCME to enforce the  
19 provision in the first place? The City therefore has essentially admitted to wasting the court's time,  
20 improperly putting AFSCME "through its paces" for no good reason, and wasting millions of dollars  
21 in public funds by doing so. In any event, the IRS has not ruled one way or the other. Even if IRS  
22 approval is not imminent, there is potential for it. (*Ctr. for Bio. Diversity v. Cal. Fish & Game Com.*  
23 (2011) 195 Cal.App.4th 128 (significant benefit achieved may be "conceptual or doctrinal, and need  
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25 <sup>4</sup> This point is significant, as a recent appellate case issued since this court issued its judgment found  
26 a city charter provision pre-empted by the MMBA to the extent it required a vote of affected  
27 employees before changes could be made to retiree health contributions. (*Dailey v. San Diego* (2013)  
28 223 Cal.App.4th 237, 254-55.) Similarly here, a right on the part of the City to make unilateral  
changes to compensation conflicts with, and is preempted by, the MMBA, which obligates the parties  
to bargain over any changes to compensation.

1 not be actual and concrete....”).) Because the IRS has not issued a decision, the court’s ruling  
2 renders the IRS’ eventual determination moot, and not the other way around.

3 The City trivializes AFSCME’s defeat of Section 1510-A (COLA) by claiming that it  
4 continues to hold constitutional authority to withhold COLA benefits, a power it retains with or  
5 without Measure B. That is not a correct statement of law, and Section 1510-A granted the City  
6 COLA-suspension powers far in excess of is constitutionally permissible. Because AFSCME’s  
7 challenge to Section 1510-A was facial indicates the infirmity of the provision, and courts award  
8 Section 1021.5 fees to plaintiffs prevailing on facial challenges. (*See, e.g., Northwest Energetic*  
9 *Services, LLC v. California Franchise Tax Bd.* (2008) 159 Cal.App.4th 841.)

10 Finally, while the City claims that AFSCME achieved no success with respect to the retiree  
11 health provision of Measure B, that is untrue, as the Court’s ruling ensures the City makes a  
12 commensurate 50% contribution to the plan. The distinction is highly significant to retirement  
13 system members, since Measure B turned what had been a ceiling for contributions into a floor.

14 Because AFSCME’s challenges were overwhelmingly facial and the City’s suit was denied in  
15 full, the City is incorrect when it states that it achieved “some of its goals.” Most of Measure B has  
16 yet to be implemented, and once it is, as-applied challenges will be ripe and may be mounted. Thus,  
17 the City achieved very little in its lawsuit. AFSCME, on the other hand, succeeded in ensuring that  
18 key portions of Measure B *may never be* implemented because they are facially unconstitutional.


19 Perhaps the most significant victory was with respect to the Reservation of Rights Clause  
20 (“Clause”) argument. The City argued that the Clause prevented vesting of rights at all; if it  
21 prevailed on that contention, benefits would be entirely ephemeral. That ruling alone warrants fees.

### 22 III. CONCLUSION

23 For these and those set forth by the other plaintiffs, the motion should be granted.

24 Dated: September 17, 2014

BEESON, TAYER & BODINE, APC

26 By:   
27 TEAGUE P. PATERSON  
28 VISHTASP SOROUSHIAN  
Attorneys for AFSCME LOCAL 101

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**PROOF OF SERVICE**

**SANTA CLARA SUPERIOR COURT**

I declare that I am employed in the County of Alameda, State of California. I am over the age of eighteen (18) years and not a party to the within cause. My business address is Beeson, Tayer & Bodine, Ross House, Suite 200, 483 Ninth Street, Oakland, California, 94607-4051. On this day, I served the foregoing Document(s):

**PLAINTIFF AFSCME LOCAL 101'S REPLY TO THE CITY OF SAN JOSE'S  
OPPOSITION TO MOTION FOR FEES AWARD**

☒ **By Mail** to the parties in said action, as addressed below, in accordance with Code of Civil Procedure §1013(a), by placing a true copy thereof enclosed in a sealed envelope in a designated area for outgoing mail, addressed as set forth below. I am readily familiar with this business's practice for collecting and processing correspondence for mailing. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service in a sealed envelope with postage fully prepaid.

☒ **By Electronic Service.** Based on a court order or an agreement of the parties to accept service by electronic transmission, I caused the documents to be sent to the persons at the electronic notification addresses listed below. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.

**SEE SERVICE LIST**

I declare under penalty of perjury that the foregoing is true and correct. Executed in Oakland, California, on this date, September 18, 2014.

  
\_\_\_\_\_  
Esther Aviva

**SERVICE LIST**

Greg McLean Adam, Esq.  
Jonathan Yank, Esq.  
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AND

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*ADMINISTRATION FOR THE 1961 SAN JOSE*  
*POLICE AND FIRE DEPARTMENT*  
*RETIREMENT PLAN (Santa Clara Superior*  
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*FEDERATED CITY EMPLOYEES'*  
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